

# Iowa Families' Cost of Living Would Increase Under House Republicans' One Big Beautiful Bill Act

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*Americans are already struggling with [high prices](#) and economic uncertainty because of President Donald Trump's sweeping [tariffs](#). House Republicans are proposing to make life even less affordable by passing the [One Big Beautiful Bill Act](#), which is currently being considered by the Senate. The legislation would enact the largest cuts to Medicaid and food assistance in American history, increase gas and electricity prices, and add trillions of dollars to the national debt—which would depress Americans' wages and raise [interest rates](#)—while providing new tax breaks that overwhelmingly benefit the wealthiest Americans. If enacted, the bill would initiate the largest transfer of wealth from working-class Americans to the ultrawealthy in history. Here are specific ways the One Big Beautiful Bill Act would harm residents of Iowa.*

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## Medicaid cuts threaten coverage, lives, and rural hospitals in Iowa

Medicaid provides health coverage to an estimated [603,000](#) Iowans. The One Big Beautiful Bill Act's historic cuts, as well as its burdensome work reporting requirements, would contribute to [96,000](#) Iowans losing coverage. The bill's Medicaid coverage losses alone would lead to [116](#) avoidable deaths per year in Iowa.

[Forty-two percent](#) of Iowa's Medicaid enrollees live in rural areas, and cuts to Medicaid would destabilize a key [financial lifeline](#) that hospitals and other health care providers rely on to keep their doors open. The Center for American Progress projects that the bill's Medicaid cuts, along with House Republicans' refusal to extend the enhanced premium tax credits of the Affordable Care Act, would drive up uncompensated care costs in Iowa by nearly [\\$273 million](#) by 2034, threatening the financial stability of the state's rural hospitals, [18 percent](#) of which are already at risk of closure. These uncompensated costs could lead to the closure of Iowa's rural hospitals, making it harder for all Iowans to access care regardless of their source of health coverage. Losing out on significant federal Medicaid funds could also force the state to reduce or eliminate optional Medicaid benefits for people with

disabilities, including [home- and community-based care](#) that enables them to live independently.

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## Cuts to SNAP jeopardize food assistance for families in Iowa and would cost the state millions of dollars per year

The Supplemental Nutrition Assistance Program (SNAP) is a lifeline for families and local economies in Iowa, with [9 percent](#) of households, or nearly 264,000 residents, participating in SNAP. House Republicans' plan would enact the [largest cuts to SNAP in history](#) by [implementing](#) harsher paperwork requirements for older beneficiaries and families with school-age children, shifting program costs and increased administrative costs onto states, and preventing future increases to SNAP benefits. At a time of [rising food costs](#), House Republicans' plan to cut SNAP benefits would greatly affect families in Iowa:

- [58,000](#) residents would be at risk of losing some or all SNAP benefits from expansions in who is subject to paperwork requirements. The average SNAP family would lose [\\$239](#) per month in food assistance.
- [\\$12 million](#) more would be spent on state administrative costs each year.

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## Cuts to clean energy tax credits would increase prices for Iowa families and businesses

Clean energy tax credits lower electricity and gasoline costs and create hundreds of thousands of jobs by [expanding](#) energy supply in the United States. Cutting off these investments will raise energy prices, shut down energy production facilities, and reduce energy supply. These are the impacts in Iowa:

- Average annual electricity costs would increase by [\\$46](#) for households and 5 percent for businesses in 2026.
- The average household would spend \$196 more on gasoline annually by 2035.\*
- Higher natural gas and electricity prices will result in a [\\$590 million](#) decrease in the state's GDP.
- [\\$4.2 billion](#) in investments would be at risk, largely in clean fuels.
- [2,976](#) jobs would be at risk.

- Iowa is already experiencing utility rate increases, with Cedar Falls Utilities raising average residential electricity bills [5 percent](#), and gas bills 4 percent this year. Alliant Energy increased average residential electricity bills [6 percent](#), and natural gas bills 3.5 percent. The reconciliation bill would [cause energy bills to rise even further](#).

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## Changes to the Pell Grant program would increase student loan debt for students from low- and middle-income families in Iowa

House Republicans' One Big Beautiful Bill Act threatens to increase the cost of higher education for low- and moderate-income students receiving Pell Grants by imposing new eligibility rules that would require students to be enrolled for at least 30 credits per academic year. Because many students also work and/or are parents or caregivers, many may not be able to enroll in additional coursework. Instead, as a result, they may need to take on additional student loans in order to make up for their lost grant funding. Here are the estimated impacts of the House reconciliation bill on students and colleges in Iowa:

- Students who could see cuts to their Pell Grant funding: [20,736](#)
- Students at risk of losing all Pell Grant funding: [9,508](#)
- Pell Grant funding at risk: \$54.6 billion\*\*

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## Conclusion

House Republicans' One Big Beautiful Bill Act would give the wealthiest Americans huge tax breaks while harming Iowa by enacting massive cuts to health care and food assistance, raising utility bills, and increasing the cost of higher education. These impacts will be felt not only by vulnerable families but also by local communities and businesses.

*\* This figure includes both the rollback of vehicle emission regulations and the repeal of the Inflation Reduction Act's energy and climate provisions in the reconciliation bill. Data were obtained from Rhodium Group's [ClimateDeck](#).*

*\*\* Authors' calculations are based on Federal Student Aid, "[Pell End-of-Year Reports: Table 22: Distribution of Federal Pell Grant Recipients by State of Legal Residence and Control of Institution Award Year 2022-2023](#)" (last accessed May 2025); National Center for Education Statistics, "[Beginning Postsecondary Students \(BPS\): 2012/2017](#)" (last accessed May 2025) (retrieval code 'wjdqqk'); Integrated Postsecondary Education Data System, "[Number of students enrolled in postsecondary institutions annually, by sector of institution: 2022-23](#)" (last accessed May 2025); Integrated Postsecondary Education Data System, "[Percent of undergraduate students receiving Pell grants, by sector of institution: 2022-23](#)" (last accessed May 2025).*